

The LaGrange County Revolving Loan Fund Provides Small Business 'Gap' Loans to New and Expanding Enterprises

The LaGrange County Revolving Loan Fund (LCRLF), established in 2012, is designed to encourage the expansion, retention and attraction of new business entities to LaGrange County, Indiana, as well as to provide opportunities for the gainful employment of LaGrange County residents.

Applicants to the LCRLF will receive assistance from the LaGrange County Economic Development Corporation and our partners to ensure the best possible business plan and chance for success. Partners include the Northeast Indiana Small Business Development Center (NE-ISBDC) and SCORE, as well as local professionals such as attorneys, insurance agents, accountants, and others who may be called upon to assist with your project. This partnership of agencies and professionals makes the LaGrange County Revolving Loan Fund both unique and a great "gap" financing tool for borrowers and lenders.

Program funds, including interest paid back from loans, will be collected in the LCRLF account for re-lending to future projects. It is our sincere hope that this program can continue to grow over the years and be of service to many projects in LaGrange County.

*--Keith Gillenwater, President & CEO
LaGrange County EDC*



A Program of the
LaGrange County
Economic Development
Corporation

in partnership with the
**LaGrange County Commissioners and
the LaGrange County Council**

LaGrange, Indiana
www.lagrangecountyedc.com

260.499.4994



LaGrange County
economic development corporation

The LaGrange County Economic Development Corporation (LCEDC), established in 2009, is a 501 (c)3 corporation designed to assist business development needs. The LCEDC partners with local, regional, state and federal agencies to attract, retain and develop new businesses and entrepreneurs in LaGrange County, Indiana, and its communities.

LaGrange County Revolving Loan Fund



Question: What types of businesses and projects are eligible for loans from the LaGrange County Revolving Loan Fund?

Answer: The LCRLF gives preference to projects relating to manufacturing, wholesale, and/or service companies, as these types of businesses are generally associated with higher wages, a higher tax base, and larger investments.

Projects that bring new residents and customers to LaGrange County will also be given a high preference, as will projects that pay above-average wages for a particular job classification. Finally, projects that diversify the employment base of LaGrange County will also be given first preference.

Loans to retail establishments will be considered, but given a lower preference than the above projects. Loans to non-profits and units of government will not be considered.

Question: Who chooses which projects receive funding from the LCRLF?

Answer: A Loan Review Committee comprised of seven members, along with the president and CEO of the LaGrange County EDC, determine which projects are awarded funding from the LCRLF.

Question: What types of business activities are eligible for a loan from the LaGrange County Revolving Loan Fund?

Answer: Loans from the LCRLF are available for:

- The acquisition of land, buildings, equipment and other fixed assets.
- The construction, expansion, or remodeling of buildings.
- Site improvements.
- Infrastructure improvements.
- Rehabilitation, renovation, or enlargement of buildings or structures.

Question: What criteria do you use in awarding a loan from the revolving fund?

Answer: The minimum criteria for consideration for a LCRLF loan are:

- Private fund participation from a private financial institution required, or at least two denial letters from reputable financial institutions.
- A minimum of 10 percent of the owner/applicant's personal equity.
- Creation or retention of at least one full-time, permanent position.
- Not more than 33 percent of the total project financing package can come from the LCRLF.
- Applicant must demonstrate a need for the program funds, which can be shown by a letter from participating financial institutions indicating the "gap" of financing for the project.
- Applicant must show that the proposed project is feasible and that the business will have the ability to repay the loan.
- Activities or projects funded must be located in LaGrange County, Indiana.
- A \$300 application fee must accompany each loan application.

Question: In addition to the minimum criteria listed at left, are there any other requirements for a LCRLF loan?

Answer: There are additional requirements for a LCRLF loan that must be met:

- Loans cannot exceed more than \$200,000 or 10 percent of the available LCRLF balance.
- The minimum loan size is \$15,000.
- The maximum term for a loan is 10 years.
- Interest will be charged at a fixed rate equal to the *Wall Street Journal* prime rate on the date the loan is closed, plus administration and processing fees.
- Reasonable security in the form of collateral will be required for all loans, such as liens on all assets to be purchased, along with additional existing assets as needed. Personal guarantees of principals (owners of 10 percent or more of the company) or a security interest in personal assets may also be required.

How to Apply for a Loan from the LCRLF

For more information on applying for a loan from the LaGrange County Revolving Loan Fund, contact:

Keith Gillenwater, President & CEO
LaGrange County EDC
304 North Townline Road, Suite 2
LaGrange, IN 46761

Phone: 260.499.4994

Fax: 260.499.4992

**E-mail: KGillenwater@LaGrange
CountyEDC.com**

Visit: www.LaGrangeCountyEDC.com